

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

C/R 43

2003

DATE:

PERSONS PRESENT: [] and Bob FORD

SUBJECT: PANCHO's Letters to []

Letter No. 1: dated 26 February 1954. PANCHO acknowledges receipt of [] 19 and 22 February letters; replies in the following manner:

Paragraph 1: Honduras.

Practically nothing has happened since my last correspondence with you. My assistants here are eager for action and it is necessary for me, however, to advise them that until full preparations are ready no action will take place. My friend in [] has told me that if you have been able to advise our friends outside of the country that [] should be told that our effort is a serious one and has the full support of outside friends, this will aid greatly in obtaining full practical cooperation and guarantees from [] It is necessary that this gesture be made at once since it is very urgent and since it will give us sufficient time to fully exploit the assistance which can be given by the people in this country. I therefore beg of you to make sure that if this has not been done that it be accomplished soonest at the appropriate high level.

Paragraph 2: El Salvador

Between [] and [] there, in relation to us, things are much better than you can possibly imagine. It has given me great happiness to realize the warm hearted aid which they have given us almost without limits. However, we must increase our friendly relationship with them even more than it is now obtained today. I realize that the IDIGORAS which counts for almost nothing continues its campaign to discredit us. I now realize that these people have even let our activities become more important than the task of defeating the enemy. From no point of view am I able to consider favorably a joining of forces with this small group. It is because of the enormous responsibility which I have of maintaining the security of this operation and that I would consider it a personal reflection on my ability to include this group with our movement at this time. You realize that I am not endeavoring to conduct this campaign based on personal ambitions and I believe that it would do us irreparable damage if we then brought into our group an individual who for several years has based his entire activities on a personal basis and not one of ousting Communism from Guatemala.

5A-5

C/R 43

Paragraph 3: Mexico.

As you know I have urged the cessation of economic aid to RAMIREZ. That group has been a constant stumbling block to the further development of our plans in Mexico. The group does not properly represent us and from all points of view it is acting as an obstruction block. I wish to repeat that the cessation of this aid to them is urgent. It is necessary for us to improve the propaganda campaign in that country since you know as well as I do the sympathy for our cause. Therefore I have sent [] to Mexico (19 February 1954) to review what has been taking place, to organize a propaganda group similar to the one in El Salvador, and to determine if it is possible to make contact with propaganda people in Mexico for work in our campaign. I will inform you of the result of [] objectives. [] is now living in the house of VIRREYES. I believe that he will complete his mission by the beginning of this coming week.

Paragraph 4: Nicaragua.

There is nothing unusual to report in this country: everything continues according to schedule with the greatest aid possible being given to us. MANUEL recently passed through Tegucigalpa and as a result the activities in that country and the future methods of operation have been completely clarified. PANCHO wishes to buy a referenced airplane and asks how much we want for that. I told him that I thought we would let him have it for ten. (Comment: Please advise me if there should be some difference of opinion in this matter.)

Paragraph 5: Guatemala.

I have received information that the general situation is magnificent. Our organizations remain stronger than ever and the spirit of our people has gone up ten points since the DELGADO incident.

- A. Everybody has taken a very bright view of my declaration and I believe that this is not just because I said them. I believe that this firm declaration, which contains no demagogery, was well received because it reflects a sincere reflection of the actual plight of Guatemala and because it gives to many people some small hope that the situation may be changed in the future. This enthusiasm, of course, gives us comfort, and is a recompense for our many sacrifices.
- B. The only thing which went wrong in Guatemala recently was the delay in sending the money, which did not arrive at the proper time. I have had to use all of my resources to convince them that it was impossible for me to supply them with more than I actually have.
- C. Our friend [] has now begun to make his necessary contacts and he will go to Salvador then, for better security.

5A-54

Paragraph 6.

My assistants here wish to know if our propaganda work, with regard to the Caracas Conference, arrived in time enough to be used. If this propaganda was used by our friends we wish to know exactly what use was made of it because in all events we want to know an exposition of this, on our part, to fill in. Our use of this material will not bring any difficulties since it will simply occupy that part of the propaganda originating from our organization and it will not therefore conflict with any propaganda plans to be conducted by the group.

Paragraph 7.

ARENAS has now completed his plot and is now in exile in the Salvadorean Embassy according to a plan which we arranged here. Part of this plan was to extricate PANCHITO from any possible reaction since he had apparently come in and out of Nicaragua without the proper credentials. (COMMENT: I asked [] what particular compromise this might indicate, insofar as PANCHITO was concerned or as far as ARENAS was concerned. He was not too clear about the entire matter: I will ask him again later.)

Paragraph 8.

The budget estimates were given here to the representative on 15 February. I will check over the budget from Guatemala here because we are not given enough time and because the communications at this time are very badly interrupted.

Paragraph 9.

I am in agreement with you that [] should come here to act as my substitute; there would be none better.

Paragraph 10.

[] will leave Sunday via PAA with his wife and will go directly to Minneapolis; he will leave his wife there and go directly to your house in order to make a contact. His wife is very nervous and worn out from the various journeys: this has been the cause of his delay. [] also is badly in need of money.

Paragraph 11.

The material for propaganda work has been sent in various colors: with very few packages remaining in Nicaragua, the majority has been sent directly to Guatemala.

Paragraph 12. Publication of Yo Acuso.

Comment: I will clarify this matter with [] and report it in a subsequent report.

5A-54

Paragraph 13.

We wait with interest for the materiel and direction of the propaganda lines which we are to follow. I beg you to take into consideration my desire to give priority to our basic works: I refer to the memorandum which we completed when you came to see me. (Comment: I will check with [] in order to ascertain the exact memorandum to which PANCHO refers in this paragraph.)

Paragraph 14.

Both the directors of El Combate and GEUAGE have received many congratulations for my speech.

Paragraph 15.

Antonio COLON has not yet arrived for his personal visit with me; all that I have received is a message which he brought. As of this date I have not yet seen him personally.

Paragraph 16.

I am extremely sorry regarding the change of plans regarding the radio in El Salvador. By all means, we are lacking this radio transmitter for our boys, full of enthusiasm, are forced to work in a most deficient manner as a result of this lack. I have taken all this into account and I know the new plan is much better than the old ones but it would not have costed much to have improved the organization which we had already set up. In any event, the event is now settled.

Paragraph 17.

PANCHO closed the letter stating that he has now answered most of the questions or they have been answered by cables which have crossed back and forth. He sends his most affectionate greetings to [] []

A postscript to the letter contains the following information:

I have now learned that BARRIOS Pena is now living in the house of [] [] is a native of Zacate. One of the individuals who is helping BARRIOS Pena is Oscar MORALES Lopez. BARRIOS is apparently now in constant contact with Cuban contraband people. Also, there is a Nicaraguan called Victor ECKES, Mr. X, who is the principal member of a group who is buying handgrenades. BARRIOS is half crazy and is now presenting his wife as the wife of the future president of Guatemala. This is considered to be an extremely bad taste since his poor wife is now in the menopause period and at various times is given to temporary outbursts of insanity.

[] []

[] []

5A-54